

Peabody Energy Obtains DIP Lender Approval To Amend Milestones



ST. LOUIS, Oct. 11, 2016 /PRNewswire/ -- Peabody Energy has obtained approval from required debtor-in-possession (DIP) lenders to amend several milestones related to the time for a decision on what is known as the CNTA issue; the company's deadline for filing of a plan of reorganization/disclosure statement; and the date targeted for court approval of the disclosure statement.

The company also received DIP lender consent to an amendment to the intercompany loan facility related to the Australian platform that allows for the potential sale of some Australian assets. Peabody has stated that its Australian metallurgical and thermal coal platforms remain core to the company, though Peabody is exploring potential sale of selected Australia assets as part of its ongoing plan to optimize its portfolio.

The extension approval recognizes the constructive discussions that have been occurring as part of the Chapter 11 process. The company now will file a related submission for court approval. If granted, the extensions will take the CNTA-decision deadline and the deadline to file an acceptable plan of reorganization/disclosure statement to Nov. 23 and Dec. 14, respectively, from the original DIP financing deadlines of Oct. 11 and Nov. 9. The company would also modify the related deadline for receiving court approval for the disclosure statement to Jan. 31, 2017 from its original date of Jan. 8, 2017.

Peabody has informally discussed the concept with other creditors and received favorable feedback on the extensions. The company intends to use this additional time to expand discussions with key stakeholders around issues that, when resolved, would greatly advance consensus on the company's plan of reorganization. Peabody believes that an extension of these milestone dates is appropriate to provide the best opportunity to bring these discussions to successful conclusion.

Peabody still looks to complete its reorganization within the 12-month period originally contemplated for Chapter 11 cases. Absent meaningful progress in their continuing mediation, the company is not expecting to seek further extensions of the CNTA-decision milestone.

Since filing for Chapter 11 protection in April 2016, the company has completed its business plan, obtained approval on multiple motions regarding the Chapter 11 process and continued to take numerous steps to strengthen the business.

Peabody Energy is the world's largest private-sector coal company and a Fortune 500 company. The company serves metallurgical and thermal coal customers in 25 countries on six continents. For further information, visit PeabodyEnergy.com.

Note: It is uncertain at this stage of our Chapter 11 Cases if any proposed plan of reorganization would allow for distributions with respect to our equity or other securities, although it is likely that our equity securities will be cancelled and extinguished upon confirmation of a plan of reorganization by the bankruptcy court, and that the holders thereof would not be entitled to receive, and would not receive or retain, any property or interest in property on account of such equity interests.

Certain statements included in this release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. The company uses words such as "anticipate," "believe," "expect," "may," "forecast," "project," "should," "estimate," "plan," "outlook," "target," "likely," "will," "to be" or other similar words to identify forward-looking statements. These forward-looking statements are made as of the date the release was filed and are based on numerous assumptions that the company believes are reasonable, but these assumptions are open to a wide range of uncertainties and business risks that may cause actual results to differ materially from expectations. These factors are difficult to accurately predict and may be beyond the company's control. Factors that could affect the company's results include, but are not limited to: the company's ability to obtain bankruptcy court approval with respect to motions or other requests made to the bankruptcy court in connection with the company's voluntary petitions for reorganization under Chapter 11 of Title 11 of the U.S. Code (the Chapter 11 Cases), including maintaining strategic control as debtor-in-possession; the company's ability to negotiate, develop, confirm and consummate a plan of reorganization; the effects of the Chapter 11 Cases on the operations of the company, including customer, supplier, banking, insurance and other relationships and agreements; bankruptcy court rulings in the Chapter 11 Cases as well as the outcome of all other pending litigation and the outcome of the Chapter 11 Cases in general; the length of time that the company will operate under Chapter 11 protection and the continued availability of operating capital during the pendency of the proceedings; risks associated with third-party motions in the Chapter 11 Cases, which may interfere with the company's ability to confirm and consummate a plan of reorganization and restructuring generally; increased advisory costs to execute a plan of reorganization; the impact of the New York Stock Exchange's delisting of the company's common stock on the liquidity and market price of the company's common stock and on the company's ability to access the public capital markets; the company's ability to continue as a going concern including the company's ability to confirm a plan of reorganization that restructures the company's debt obligations to address liquidity issues and allow emergence from the Chapter 11 Cases; the company's ability to access adequate debtor-in-possession financing (DIP Financing) or use cash collateral; the effect of the Chapter 11 Cases on the company's relationships with third parties, regulatory authorities and employees; the potential adverse effects of the Chapter 11 Cases on the company's liquidity, results of operations, or business prospects; the company's ability to execute its business and restructuring plan; increased administrative and legal costs

related to the Chapter 11 Cases and other litigation and the inherent risks involved in a bankruptcy process; the cost, availability and access to capital and financial markets, including the ability to secure new financing after emerging from the Chapter 11 Cases; the risk that the Chapter 11 Cases will disrupt or impede the company's international operations, including the company's business operations in Australia; competition in the coal industry and supply and demand for the company's coal products, including the impact of alternative energy sources, such as natural gas and renewables, global steel demand and the downstream impact on metallurgical coal prices, and lower demand for the company's products by electric power generators; the company's ability to successfully consummate planned divestitures; the company's ability to appropriately secure its obligations for reclamation, federal and state workers' compensation, federal coal leases and other obligations related to the company's operations, including its ability to utilize self-bonding and/or successfully access the commercial surety bond market; customer procurement practices and contract duration; the impact of weather and natural disasters on demand, production and transportation; reductions and/or deferrals of purchases by major customers and the company's ability to renew sales contracts; credit and performance risks associated with customers, suppliers, contract miners, co-shippers, and trading, bank and other financial counterparties; geologic, equipment, permitting, site access, operational risks and new technologies related to mining; transportation availability, performance and costs; availability, timing of delivery and costs of key supplies, capital equipment or commodities such as diesel fuel, steel, explosives and tires; impact of take-or-pay arrangements for rail and port commitments for the delivery of coal; successful implementation of business strategies, including, without limitation, the actions the company is implementing to improve its organization and respond to current industry conditions; negotiation of labor contracts, employee relations and workforce availability, including, without limitation, attracting and retaining key personnel; the company's ability to comply with financial and other restrictive covenants in various agreements, including the DIP Financing credit agreement; changes in postretirement benefit and pension obligations and their related funding requirements; replacement and development of coal reserves; effects of changes in interest rates and currency exchange rates (primarily the Australian dollar); effects of acquisitions or divestitures; economic strength and political stability of countries in which the company has operations or serves customers; changes in global consumer confidence and impacts to various foreign currency exchange rates as a result of the June 24, 2016 UK electorate vote to withdraw from the European Union; legislation, regulations and court decisions or other government actions, including, but not limited to, new environmental and mine safety requirements, changes in income tax regulations, sales-related royalties, or other regulatory taxes and changes in derivative laws and regulations; the company's ability to obtain and renew permits necessary for the company's operations; litigation or other dispute resolution, including, but not limited to, claims not yet asserted; any additional liabilities or obligations that the company may have as a result of the bankruptcy of Patriot Coal Corporation, including, without limitation, as a result of litigation filed by third parties in relation to that bankruptcy; terrorist attacks or security threats, including, but not limited to, cybersecurity threats; impacts of pandemic illnesses; and other risks detailed in the company's reports filed with the SEC. The company does not undertake to update its forward-looking statements except as required by law.

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